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RUEHLO/AMEMBASSY LONDON PRIORITY 0132  
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0714  
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 6449  
RUEHKO/AMEMBASSY TOKYO PRIORITY 7711  
RUEHFK/AMCONSUL FUKUOKA PRIORITY 0009  
RUEHGZ/AMCONSUL GUANGZHOU PRIORITY 9319  
RUEHHM/AMCONSUL HO CHI MINH CITY PRIORITY 0051  
RUEHHK/AMCONSUL HONG KONG PRIORITY 6397  
RUEHNH/AMCONSUL NAHA PRIORITY 0012  
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0368  
RUEHGH/AMCONSUL SHANGHAI PRIORITY 0134  
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S E C R E T SECTION 01 OF 02 TAIPEI 001619

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STATE FOR EAP/TC AND ISN/MTR  
DEPARTMENT PLEASE PASS TO NSC WASHINGTON DC PRIORITY

E.O. 12958: DECL: 05/04/2026

TAGS: FCCT PARM MTCRE JP TW

SUBJECT: TAIWAN MOVES ON EXPORT CONTROL COMMITMENTS

REF: A. STATE 73453

- 1B. STATE 3095
- 1C. TAIPEI 1566
- 1D. TAIPEI 1337

Classified By: AIT ACTING DEPUTY DIRECTOR CHARLES BENNETT,  
REASONS 1.4 B, C.

11. (S) AIT delivered ref A talking points to Export Control Task Force Head Wally Su and received a report from Su on the investigation into machine tools orders from the Iranian company Azma Pisheh and the Syrian company Sinan that we requested in ref B. AIT has sent an informal translation of the investigation report to EAP/TC and ISN/MTR. Action request para 7. End summary.

12. (S) AIT delivered ref A talking points to Taiwan Ministry of Economic Affairs (MOEA) Bureau of Foreign Trade (BOFT) Export Control Task Force Head Wally Su on May 9. Su was intrigued by our offer to assist BOFT in developing an outreach and education campaign and asked for more details on what types of assistance we could provide. He said that assistance in industry outreach, ideally involving presentations by U.S. companies on how they dealt with export control regulations, was precisely what Taiwan's export control efforts needed most right now. He referred to the outreach seminar that Japan organized in Taipei in March as a model. (Note: CSI Kaohsiung Acting Team Leader CJ Lou told AIT Econ on May 9 that explicit authorization from Washington agencies was needed before any CSI resources could be used to assist in targeting sensitive exports to Iran and North Korea, and that such authorization had not yet been received. End note.)

13. (S) In response to the talking point that urged Taiwan to give industry 60-90 days advance notice of the pending tightening of export control regulations, Su said he did not want to wait that long, but wanted to implement Taiwan's commitments under the August 2005 export control "gameplan" as soon as possible. Su expected the new licensing

requirements reported ref C will become effective around June 11. He said that so far there has been no negative reaction from businesses to the publication of the new requirements, only requests for more detailed information.

¶4. (S) Su said that as part of efforts to institutionalize a focus on effective export controls he had drafted a section on "export security" that will be added to MOEA's formal strategic goals paper.

¶5. (S) Su also provided us with a letter dated April 28, 2006 which contains the results of the BOFT investigation into possible Taiwan machine tool sales to Iran and Syria (ref C). The investigation found that no corresponding export licenses had been issued. The Taiwan LITZ Hitech Corporation did not export any commodities to Iran in January and February 2006, and neither LITZ or Eumatech exported any commodities to Syria from September 2005 to February 2006.

¶6. (S) The report adds that to prevent such exports, BOFT has 1) asked Customs to add LITZ and Eumatech to its list of high-risk manufacturers and to inspect all their exports; 2) requested LITZ and Eumatech to apply for an export license before making any export to Iranian or Syrian manufacturers; and 3) added these two companies to the BOFT list of companies that should be regularly inspected for complying with export control regulations. An AIT informal translation of the report has been emailed to EAP/TC and ISN/MTR.

¶7. (S) Action request: AIT requests clarification from Washington agencies on what types of assistance we are offering BOFT in developing an outreach and education campaign. AIT also seeks front channel confirmation that CSI

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Kaohsiung is authorized to use personnel and computer resources to assist efforts to stop sensitive exports to Iran and North Korea. AIT believes that CSI personnel in Kaohsiung are well-positioned to assist in outreach efforts to Taiwan industry associations.

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